

**PROPOSED BUDGET
FISCAL YEAR 2010-2011**

**WEST VALLEY SANITATION DISTRICT
SANTA CLARA COUNTY
CALIFORNIA**

SERVING RESIDENTS OF

**CITY OF CAMPBELL
TOWN OF LOS GATOS
CITY OF MONTE SERENO
CITY OF SARATOGA
UNINCORPORATED AREA**

PROPOSED BUDGET
FISCAL YEAR 2010-2011

WEST VALLEY SANITATION DISTRICT
OF SANTA CLARA COUNTY, CALIFORNIA
100 East Sunnyoaks Avenue
Campbell, California 95008

Submitted By

ROBERT R. REID
DISTRICT MANAGER AND ENGINEER

TO

BOARD OF DIRECTORS

DAN FURTADO	COUNCILMEMBER, CITY OF CAMPBELL
DIANE MCNUTT	MAYOR, TOWN OF LOS GATOS
DON PERRY	MAYOR, CITY OF MONTE SERENO
CHUCK PAGE	COUNCILMEMBER, CITY OF SARATOGA
KEN YEAGER	SUPERVISOR, FOURTH DISTRICT SANTA CLARA COUNTY

PROPOSED BUDGET FY 2010-11

MANAGEMENT DISCUSSION and ANALYSIS

Introduction

West Valley Sanitation District directly provides four core services:

- Sewer permitting and information management
- Engineering, inspection services, and construction management
- Sewer system maintenance and operation
- Urban runoff program management (West Valley Clean Water Program)

In addition to these core services, the District participates in and helps fund wastewater treatment and related environmental services at the regional water pollution control plant operated by the City of San Jose. Most of these core services are funded by the annual sewer service and use charge that is collected on the tax roll for all District sewer users. The urban runoff program is funded by a separate, parcel-based, storm drainage fee. Costs associated with extending the sewer system and providing new sewer connections are charged directly to the benefiting properties.

The sewer service and use charge also funds most of the District's administrative support services including public outreach, financial management, legal support, employee services, clerical support, computer services, materials and equipment management, and facilities management.

Overview of Proposed Budget

This budget document is comprised of the following sections:

- Estimated Expenditures for FY 2009-10 & Summary of FY 2010-11 Proposed Budget on pages 2&3.
- Detail of Salaries and Benefits Budget for FY 2010-11 on page 4.
- Detail of Estimated and Proposed Revenues on page 5.
- Detail of Proposed Operating Expenses on pages 6-10.
- Detail of Estimated Capital Expenditures on pages 11-12.
- Budget Summary and Five Year Projections on page 13.
- Proposed 2010-15 Capital Improvement Program (Appendix A).
- Proposed FY 2010-11 Revenue Program (Appendix B).

The following discussion of the proposed budget highlights any significant changes between both proposed and estimated actual expenditures that warrant commentary. For purposes of this discussion 'significant changes' are defined as greater than a \$20,000 change in any given budget classification.

I. Salaries and Employee Benefits

The Summary on page 2 shows that proposed total salaries and benefits are projected to rise from \$4.14 million budgeted in the current fiscal year to \$4.53 million in FY 2010-11. The \$400,000 budget increase includes estimated increases totaling \$95,000 in pension and health insurance costs and an extra \$100,000 in contingency reserves. The Proposed Budget also includes 1.5 contract 'over strength' positions to provide workforce continuity in accordance with the District's current succession planning strategy.

II. Maintenance and Operations

Insurance has been decreased by \$75,000 (27 percent). This reflects estimated premiums and deductibles net of any dividends paid out by CSRMA.

Information Services is budgeted for \$97,500 (18 percent) less in the next fiscal year due to elimination of a one time GIS software purchase in the current budget.

Treatment Plant Operations is the largest expense in the district's annual operating budget. The amount budgeted is made up of two components. First is the district's share of the wastewater treatment plant's proposed operating budget for the next fiscal year. This figure has increased each year and is based on the district's wastewater flow to the plant as a percentage of the total. The second component is budgeted as "prior year credit" and represents the variance between the prior fiscal year's budget and actual costs, as well as the district's share of miscellaneous plant revenues and interest on reserves. This credit varies over a great range from year to year. The current year's net operating cost is \$5,403,475 which is 7 percent under budget. The net amount budgeted for FY 2010-11 is \$6,670,600, nearly a 16 percent budget increase. The increase is largely due to significantly less variance between the current budget and actual operating costs.

Clean Water Program consists of the operating expenses, apart from staff salaries and benefits, paid by the District on behalf of the four west valley cities for their costs of compliance with the regional storm water permit. A budgeted increase of \$50,000 (17 percent) reflects actual permit related fees and charges paid. These expenditures are reimbursed to the District by the four cities.

Professional Services has been increased by \$36,000 (10 percent) primarily for anticipated consulting fees associated with installation and analysis of trunk sewer metering stations.

Repairs and Maintenance has been decreased by \$49,300 (15 percent). This is largely because of re-categorization of some service and repair costs to capital projects.

Bond Debt Service will decrease by an estimated \$31,000 due to refunding of \$6.3 million in revenue bonds at lower interest rates during the current fiscal year. District bond debt service will have decreased by more than \$150,000 since FY 2008-09.

III. Capital Expenditures

Net capital outlays in the current fiscal year are expected to total about \$4.3 million compared to \$5.0 million spent in the previous fiscal year. Net capital outlay for FY 2010-11 is estimated at \$5.4 million. Details of the three main categories of capital expenditures are discussed below.

General Fixed Assets includes property improvements, furniture, vehicles and equipment. New closed circuit television (CCTV) equipment and van is scheduled for purchase at an estimated cost of \$250,000. In the current year \$523,100 was budgeted and actual expenditures are projected to total \$336,000. \$405,800 is budgeted for FY 2010-11.

Subsurface Lines includes all District sewer realignments, replacements, upgrades, major repairs and rehabilitation projects. In the current year \$1.93 million was budgeted in this category and actual expenditures are expected to total \$1.58 million. \$2.8 million is budgeted for projects in FY 2010-11 including carryover of projects not completed in the current year.

Treatment Plant and Joint Lines represents the District's share of all capital projects initiated and constructed by the City of San Jose. Current year expenditures are expected to total \$2.35 million compared to \$2.9 million budgeted. \$2.7 million is budgeted for FY 2010-11. During the coming decade the wastewater treatment plant is proposing significant capital spending to replace aging plant infrastructure. The district's share over the next five years is projected to total approximately \$15 million.

IV. Revenues

District revenues as detailed on page 5 of the proposed budget are grouped into two major categories, operating revenues and non-operating revenues. Operating revenues are comprised of annual sewer service charges and various fees for other services. It is estimated that operating revenues in the current fiscal year will total about \$15.5 million. This total is about \$700,000, or 4 percent, less than operating revenues from the previous fiscal year and reflects a combination of decreased connection and permit fees and reduced service charges.

Non-operating revenues includes interest on district reserves, SSAP reimbursements, and miscellaneous other funds. Total non-operating revenues for the current year are expected to total about \$447,000. Non-operating revenues in FY 2010-11 are projected to be about the same. This total is over \$500,000 lower than FY 2008-09 due to significantly lower interest earnings on District funds in the County investment pool.

V. Reserves

District Reserves includes all non-restricted funds available to the agency. At the beginning of fiscal year 2010-11 non-restricted reserves are expected to total about \$25.2 million, which is a decrease of \$1.4 million since last year. Most of these reserve funds are designated for capital expenditures and to provide rate stability. District reserves reached a high of \$30.8 million at the end of FY 2007-08.

District guidelines for minimum reserve levels (the target fund balance) are based on maintaining sufficient funds to cover 60 percent of annual operating expenditures in addition to capital reserves equal to at least the next fiscal year's capital improvement program. Peak capital spending needs for significant projects are generally funded with grants, state revolving fund (SRF) loans, and/or revenue bonds. All ongoing operating expenditures and annual capital equipment and sewer infrastructure repair and replacement are funded with current revenues.

Based on a recently updated 10 year financial analysis, the district will need to raise sewer rates beginning in fiscal year 2010-11. Assumed rate increases of 5, 6, and 6 percent in the next three years should keep the district financially sound, although current reserve levels are projected to continue to decline over the next several years. Details of the proposed rate increases are outlined in Appendix B attached to this Proposed Budget.

VI. Operating Budget Summary and Comparisons

Estimated operating costs (excluding capital expenditures) are projected to total \$13.1 million at the end of the current fiscal year on June 30. This amount is about \$0.6 million lower than budget. Excluding the District's share of wastewater treatment plant operation costs, in-District operating costs for the current year were budgeted at \$7.9 million and total operating costs for FY 2010-11 are budgeted at \$8.1 million, or 2.5 percent higher than the current year.

**WEST VALLEY SANITATION DISTRICT
OF SANTA CLARA COUNTY, CALIFORNIA
PROPOSED BUDGET FOR FISCAL YEAR 2010-2011**

TABLE OF CONTENTS

Management Discussion and Analysis	i-iv
Estimated Expenditures for Fiscal Year 2009-2010 and Summary of Proposed Fiscal Year 2010-2011 Operating Budget	2
Detail of Salaries and Employee Benefits, Fiscal Year 2010-2011 Operating Budget	4
Schedule of Available Funds and Estimated Balance in Operating Fund June 30, 2010, and June 30, 2011	5
Detail of Fiscal Year 2010-2011 Operating Expenses	6
Capital Outlay 2010-2011 Budget Detail	11
Fiscal Year 2010-2011 Operating Summary and Projections Through Fiscal Year 2014-15	13

APPENDIX A: CAPITAL IMPROVEMENT PROGRAM 2010-2015

APPENDIX B: REVENUE PROGRAM FOR SEWERAGE SERVICES

ESTIMATED EXPENDITURES FOR FISCAL YEAR 2009-10

AND

SUMMARY OF FISCAL YEAR 2010-11 OPERATING BUDGET

Expenditure Classification and Account Number	2009-10 EXPENDITURES		2010-11 PROPOSED BUDGET					Total
	Budgeted	Estimated	Administration	Engin.	Sewer Operations	Disposal & NPS		
SALARIES AND EMPLOYEE BENEFITS								
010 Salaries	\$2,545,888	2,820,000	\$ 916,196	\$ 521,572	\$ 1,136,704	\$ 275,838	\$2,850,310	
020 Employee Benefits	1,589,170	1,200,000	596,499	285,477	667,131	132,634	1,681,741	
Total Salaries and Employee Benefits	\$4,135,058	\$4,020,000	\$1,512,695	\$807,049	\$1,803,835	\$408,472	\$4,532,051	
MAINTENANCE AND OPERATIONS								
030 Directors' Fees	28,460	29,123	31,805				31,805	
060 Gasoline, Oil & Fuel	65,000	65,000			70,000		70,000	
070 Insurance	275,000	233,000	112,500	25,000	62,500		200,000	
080 Memberships	32,030	31,764	24,855	6,900	1,900		33,655	
090 Office Expense	36,250	41,328	31,500	3,050	3,800		38,350	
100 Information Services	535,500	563,770	171,300	133,300	133,400		438,000	
110 Contractual Services	46,000	29,291	24,000	4,000	15,600		43,600	
111 Treatment Plant Operation	5,838,500	5,403,475				6,670,600	6,670,600	
115 Clean Water Program (NPS)	302,000	302,000				352,000	352,000	
120 Professional Services	364,000	352,455	285,000	100,000	15,000		400,000	
130 Printing & Public Notices	10,400	13,175	6,500	3,050	500		10,050	
140 Rents and Leases	16,000	13,485	16,000		3,500		19,500	
150 Repairs and Maintenance	322,400	309,000	100	1,000	272,000		273,100	
170 Professional Development	87,230	87,898	36,705	12,800	45,250		94,755	
190 Utilities	73,000	72,536	51,900		24,500		76,400	
200 Miscellaneous	10,100	8,465	2,750	4,770	6,800		14,320	
210 Revenue Bond Debt Service	1,517,100	1,520,000				1,491,100	1,491,100	
Total Maintenance and Operations	\$9,558,970	\$9,075,765	\$794,915	\$293,870	\$654,750	\$8,513,700	\$10,257,235	

2009-10
EXPENDITURES

2010-11 PROPOSED BUDGET

Expenditure Classification
and Account Number
CAPITAL OUTLAY

	Budgeted	Estimated	Administration	Engin.	Sewer Operations	Disposal & NPS	Total
General Fixed Assets	\$ 523,100	\$ 336,127	\$ 38,500	\$ 10,300	\$ 357,000	\$ -	\$ 405,800
Subsurface Lines	1,397,000	1,416,116		2,579,000			2,579,000
Septic System Abandonment Program	528,250	161,750		713,000			713,000
Treatment Plant & Joint Lines	2,930,900	2,351,026				2,691,130	2,691,130
TOTAL CAPITAL OUTLAY	\$ 5,379,250	\$ 4,265,019	\$ 38,500	\$ 3,302,300	\$ 357,000	\$ 2,691,130	\$ 6,388,930
Less Discount Factor	806,900	-					958,300
NET CAPITAL OUTLAY	\$ 4,572,350	\$ 4,265,019	\$ 38,500	\$ 3,302,300	\$ 357,000	\$ 2,691,130	\$ 5,430,630

RESERVES

Building Repairs	50,000	50,000					50,000
Unemployment Insurance	18,900	18,900					18,900
Vehicle Damage Insurance	175,000	175,000					175,000
Accrued Sick Leave and Vacation	350,000	430,000					450,000
Vehicle Replacement	955,500	955,500					1,032,500
Capacity Acquisitions	2,500,000	2,750,000					2,500,000
Capital Fund Reserves	21,148,480	20,872,719					17,350,463
TOTAL RESERVES	\$ 25,197,880	\$ 25,252,119					\$ 21,576,863

SUMMARY

Salaries & Employee Benefits	\$4,135,058	4,020,000	1,512,695	807,049	1,803,835	408,472	4,532,051
District Maintenance & Operations	1,901,370	1,850,290	794,915	293,870	654,750		1,743,535
Treatment Plant Operation	5,838,500	5,403,475					6,670,600
Clean Water Program (NPS)	302,000	302,000					352,000
Revenue Bond Debt Service	1,517,100	1,520,000					1,491,100
Capital Outlay - General	523,100	336,127	38,500	10,300	357,000		405,800
Capital Outlay - Subsurface Lines	1,397,000	1,416,116		2,579,000			2,579,000
Capital Outlay - SSAP	528,250	161,750		713,000			713,000
Capital Outlay - Plant	2,930,900	2,351,026				2,691,130	2,691,130
Capital Outlay - Discount Factor	(806,900)	-					(958,300)
TOTAL EXPENDITURES	\$ 18,266,378	\$ 17,360,784	\$ 2,346,110	\$ 4,403,219	\$ 2,815,585	\$ 11,613,302	\$ 20,219,916

TOTAL EXPENDITURES AND RESERVES

TOTAL EXPENDITURES AND RESERVES	\$ 43,464,258	\$ 42,612,903					\$ 41,796,779
--	----------------------	----------------------	--	--	--	--	----------------------

DETAIL OF SALARIES AND EMPLOYEE BENEFITS, FISCAL YEAR 2010-11 OPERATING BUDGET

	Employees	Administration & Info. Svc.	Engineering & Operations		Disposal and NPS	Total
			Engn.	Operations		
GENERAL MANAGER	1	\$ 66,233	\$ 56,771	\$ 56,771	\$ 9,462	\$ 189,237
ADMINISTRATION DIVISION:						
Director of Admin./Information Services	1	141,145				141,145
Executive Assistant	1	74,587				74,587
Accounting Technician (Part Time)	1	37,293				37,293
Senior Account Clerk	1	69,337				69,337
Account Clerk II	2	132,046				132,046
Administrative Assistant II (Part Time)	1	30,472				30,472
Information Services Coordinator	1	118,283				118,283
Construction Inspector II	1	80,151				80,151
Asst./Assoc. Engineering Technician	1	80,151				80,151
ENGINEERING & OPERATIONS DIVISION:						
Director of Engineering/Operations	1		74,495	74,495		148,990
Senior Engineer	1		123,265			123,265
Assist./Assoc. Eng. Tech.	2		123,588			123,588
Assistant Engineer	1		92,652			92,652
Maintenance Supervisor	1			94,521		94,521
Supervising Leadworker	1			73,812	14,060	87,872
Maintenance Leadworker (Specialized)	2			122,042	40,680	162,722
Maintenance Worker II	2			98,794	32,250	131,044
Maintenance Worker I (Vacant)	1			72,892		72,892
Maintenance Worker II (Specialized)	4			266,784	24,784	291,568
Maintenance Worker I Custodian	1			62,492		62,492
Clean Water Program:						
WVCWP Program Manager	1				97,282	97,282
WVCWP Staff (1 Part Time)	1				30,720	30,720
MISCELLANEOUS:						
Employee SDI		11,500	4,000	8,000	1,500	25,000
Compensation for On-Call Duty				28,000		28,000
Overtime Contingency & Out of Class				68,000	12,000	80,000
Salary Contingency		51,000	30,000	61,500	7,500	150,000
Grade Certification Premium				15,000		15,000
Performance Incentive Contingency		23,998	16,801	33,601	5,600	80,000
TOTAL SALARIES		916,196	521,572	1,136,704	275,838	2,850,310
EMPLOYEE BENEFITS:						
Retirement		212,851	127,174	242,616	54,408	637,049
Workers' Compensation		5,697	6,640	41,234	6,726	60,297
Employee Group Insurance		255,655	95,270	224,282	50,612	625,819
FICA & SDI Employer Tax		59,896	35,593	82,199	20,888	198,576
OPEB Funding		62,400	20,800	76,800		160,000
TOTAL BENEFITS		596,499	285,477	667,131	132,634	1,681,741
TOTAL SALARIES AND BENEFITS		\$ 1,512,695	\$ 807,049	\$ 1,803,835	\$ 408,472	\$ 4,532,051

**SCHEDULE OF AVAILABLE FUNDS
AND BALANCE IN OPERATING FUND JUNE 30, 2010 AND JUNE 30, 2011**

	ESTIMATED Fiscal Year 2009-10	PROPOSED BUDGET Fiscal Year 2010-11
BALANCE IN OPERATING FUND - JULY 1	\$ 26,674,158	\$ 25,252,119
FISCAL YEAR REVENUES:		
Operating Revenues:		
Sewer Service Charges		
Collected on Tax Roll	13,727,400	14,334,000
County Collection Fee (1%)	(137,200)	(143,340)
Direct Billings	743,000	717,000
At Issuance of Permits	10,000	10,000
Total Sewer Service Charges Net	14,343,200	14,917,660
Fees for Other Services		
Permit and Inspection Fees	175,000	175,000
Connection Fees	310,000	310,000
Treatment Plant Capacity Fees	120,000	120,000
Plan Checking Fees	5,000	5,000
Storm Cleaning Fees	30,000	30,000
Clean Water Program (NPS)	509,000	540,000
Total Fees for Other Services	1,149,000	1,180,000
Total Operating Revenues	15,492,200	16,097,660
Non-Operating Revenues		
Interest	285,000	349,000
SSAP Principal & Interest	125,545	96,000
Other	36,000	2,000
Total Non-Operating Revenues	446,545	447,000
TOTAL FISCAL YEAR REVENUES	15,938,745	16,544,660
TOTAL FUNDS AVAILABLE	42,612,903	41,796,779
FISCAL YEAR EXPENDITURES	17,360,784	20,219,916
BALANCE IN OPERATING FUND - JUNE 30	\$ 25,252,119	\$ 21,576,863

DETAIL OF FISCAL YEAR 2010-11 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engr.	41* Operations	43* Disposal & NPS	Total
DIRECTORS' FEES						
030-01	Board Meeting Fees	\$ 27,630				\$ 27,630
030-02	Miscellaneous Meetings	3,550				3,550
030-03	Sewer Advisory Board Fees	625				625
TOTAL		31,805				31,805
GASOLINE, OIL AND FUEL						
060-01	Vehicles and Equipment			70,000		70,000
TOTAL				70,000		70,000
INSURANCE						
070-01	General District Insurance	37,500	25,000	62,500		125,000
070-02	Insurance Deductible	75,000				75,000
TOTAL		112,500	25,000	62,500		200,000
MEMBERSHIPS						
080-01	American Public Works Association	530	150	150		830
080-03	California Public Employers Labor Relations Association	350				350
080-04	California Association of Sanitation Agencies	15,000				15,000
080-05	California Water Environment Association (CWEA)	500	150	1,750		2,400
080-07	Santa Clara County Intergovernmental Employee Relations Service	5,000				5,000
080-08	Spec Dist Assoc	825				825
080-09	American Society of Civil Engineers		500			500
080-11	Water Environment Federation (WEF)		600			600
080-12	Other	2,650	900			3,550
080-19	Water Evn. Research Federation (WERF)		4,250			4,250
080-20	Pipe Users Group		350			350
TOTAL		24,855	6,900	1,900		33,655
OFFICE EXPENSES						
090-03	Books, Manuals, Periodicals	1,500	750	300		2,550
090-05	Photographic Supplies		200	500		700
090-06	Postage	6,500				6,500
090-07	Miscellaneous Office Expense	23,200	1,600	3,000		27,800
090-17	County Recorder Fees	300				300
090-18	Engineering Field Supplies		500			500
TOTAL		31,500	3,050	3,800		38,350

DETAIL OF FISCAL YEAR 2010-11 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
INFORMATION SERVICES						
100-01	Computer Maintenance Agreements	21,700	11,000	20,200		52,900
100-02	Software and Training	38,000	13,500	14,500		66,000
100-03	Hardware Repairs & Supplies	3,500	2,500	2,000		8,000
100-04	Maps (County Base & Real Estate)	8,000	13,200	3,600		24,800
100-05	Geographic Information System					
100-06	Information Technology Support	90,000	87,000	87,000		264,000
100-07	Email-Internet Access	10,100	6,100	6,100		22,300
TOTAL		171,300	133,300	133,400		438,000
CONTRACTUAL SERVICES						
110-13	Protective Clothing			9,000		9,000
110-22	Drug & Alcohol Testing Program (DATCO)			1,600		1,600
110-24	Computer Accounting Services - B of A	12,000				12,000
110-45	Underground Service Alert		2,000			2,000
110-50	Other		2,000	5,000		7,000
110-59	Archive Project	12,000				12,000
TOTAL		24,000	4,000	15,600		43,600
TREATMENT PLANT OPERATION						
111-01	Treatment Plant Operation				7,020,600	7,020,600
	Less prior year credit				(350,000)	(350,000)
TOTAL					6,670,600	6,670,600
WEST VALLEY CLEAN WATER PROGRAM (NPS)						
115-01	SCV Prog. Assmt./Industrial Inspection				252,000	252,000
115-02	Non-payroll Operating Expenses				100,000	100,000
TOTAL					352,000	352,000
PROFESSIONAL SERVICES						
120-01	Accounting and Audit	176,000				176,000
120-02	Legal - General	54,000				54,000
120-07	Legal - Litigation	5,000				5,000
120-05	Management/Engineering Consulting	50,000				50,000
120-09	Misc. Civil Engineering		10,000			10,000
120-12	Consultant for Metering Station		50,000			50,000
120-18	Hydraulic Capacity Study		25,000			25,000
120-21	Safety Management Plan			15,000		15,000
120-22	CIP Prioritization & Development		15,000			15,000
TOTAL		285,000	100,000	15,000		400,000

DETAIL OF FISCAL YEAR 2010-11 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
PRINTING AND PUBLIC NOTICES						
130-01	Advertising/Public Notices	3,500				3,500
130-02	Blueprinting & Scanning		2,500			2,500
130-03	Printing	3,000	550	500		4,050
TOTAL		6,500	3,050	500		10,050
RENTS AND LEASES						
140-01	Equipment Rental					
140-04	Photocopy Machine	16,000		3,500		19,500
TOTAL		16,000		3,500		19,500
REPAIRS AND MAINTENANCE						
Buildings and Grounds						
151-01	Services and Repairs			28,000		28,000
151-02	Supplies			7,500		7,500
Vehicles and Equipment						
151-11	Vehicles			18,000		18,000
151-12	Mounted Equipment			8,000		8,000
151-13	Portable Equipment	100		10,000		10,100
151-14	Pump Station			15,000		15,000
151-15	CCTV			15,000		15,000
151-16	Rental Fees and Leases			1,000		1,000
151-17	Testing, Licensing and Fees			2,000		2,000
Collection System						
151-21	Services and Repair			25,000		25,000
151-22	Construction Materials and Supplies			15,000		15,000
151-23	Cleaning Tools and Parts			25,000		25,000
151-24	Flow Monitoring and Measurement			2,500		2,500
151-25	Excavation & Environmental Health Permits			15,000		15,000
151-26	CWC Section 13260 Annual Fees (SWRCB)			7,000		7,000
Operating Supplies						
151-31	Small Shop/Field Tools		250	5,000		5,250
151-32	Shop/Field Supplies			5,000		5,000
151-33	Grease, Oil and Solvents			2,500		2,500
Safety Equipment and Supplies						
151-41	Equipment		500	15,000		15,500
151-42	Clothing and Gear		250	8,000		8,250
151-43	Confined Space Services			15,000		15,000
Sewer Overflow Expenses						
151-51	Cleanup and Claims			20,000		20,000
151-52	Water Quality Testing and Supplies			5,000		5,000
151-53	Lodging, Relocation and Expenses			2,500		2,500
TOTAL		100	1,000	272,000		273,100

DETAIL OF FISCAL YEAR 2010-11 OPERATING EXPENSES

Account Number	Expense Classification	45* AdmIn.	42* Engin.	41* Operations	43* Disposal & NPS	Total
PROFESSIONAL DEVELOPMENT						
170-01	Tuition Reimbursement	750	750	750		2,250
170-02	Water Environment Federation Conference	4,000				4,000
170-03	CASA Conference - Directors	10,600				10,600
170-04	CASA Conference - Attorney	3,780				3,780
170-05	CASA Conference - Staff	6,500	2,500			9,000
170-06	CWEA Conference - Manager	800				800
170-07	CWEA Conference - Staff		1,500	6,000		7,500
170-08	CWEA, APWA & ASCE Local Section		250	1,000		1,250
170-09	City Management Meetings	100				100
170-10	Safety Training		500	30,000		30,500
170-11	Special Districts Association Meetings	600				600
170-12	American Public Works Assoc. Conference	1,200				1,200
170-15	Miscellaneous Staff Training	3,000	3,000	3,000		9,000
170-16	NASTT-Trenchless Technology		1,000	1,000		2,000
170-17	CALPERA & CALPERS	1,500				1,500
170-18	GBA, GIS & Tyler Conference	3,500	3,000	1,500		8,000
170-19	Professional Licenses & Certifications	375	300	2,000		2,675
TOTAL		36,705	12,800	45,250		94,755
UTILITIES						
190-01	Electricity & Gas-Office, Shop & Pump Stn.	25,500		3,500		29,000
190-03	Radio Communications/Repairs			10,000		10,000
190-04	Telephone	23,000				23,000
190-05	Trash Disposal			4,000		4,000
190-06	Water: Office, Shop, and Grounds	3,400				3,400
190-07	Water for Sewer Cleaning			7,000		7,000
TOTAL		51,900		24,500		76,400

DETAIL OF FISCAL YEAR 2010-11 OPERATING EXPENSES

Account Number	Expense Classification	45* Admin.	42* Engin.	41* Operations	43* Disposal & NPS	Total
MISCELLANEOUS						
200-01	Miscellaneous	400	500	800		1,700
200-02	Automobile Mileage Allowance	100	400	500		1,000
200-04	Safety Awards		120	750		870
200-05	Employee Recognition	2,000	250	750		3,000
200-12	Physicals/Innoculations/Test HEP etc.	200	3,500	3,000		6,700
200-13	Overtime Meals	50		1,000		1,050
TOTAL		2,750	4,770	6,800		14,320
REVENUE BOND DEBT SERVICE						
210-02	Revenue Bond Debt Service/Water Reclam.				654,000	654,000
210-03	Revenue Bond Debt Service Series 2010				460,000	460,000
210-04	State Revolving Fund Loan				377,100	377,100
TOTAL					1,491,100	1,491,100
TOTAL OPERATING EXPENSES		\$794,915	\$293,870	\$654,750	\$8,513,700	\$10,257,235

CAPITAL OUTLAY 2010-11 BUDGET DETAIL

Account Number	Expense Classification	45*	42*	41*	43*	Total
		Admin.	Engin.	Operations	Disposal & NPS	
GENERAL FIXED ASSETS						
Property Improvements						
12060-13	Miscellaneous Property Improvements			10,000		10,000
12060-14	Administration Building Remodel	10,000				10,000
12060-15	Lift Station Rehabilitation			30,000		30,000
Subtotal Property Improvements		10,000		40,000		50,000
Vehicles						
12070-80	Skid Loader			4,500		4,500
12070-81	CCTV Box Van			250,000		250,000
12070-82	Easement Cleaner			30,000		30,000
Furniture and Equipment						
12070-61	PC Tablets, Computer Terminals/Hardware			12,500		12,500
12070-72	Operations Furniture & Equipment			5,000		5,000
12070-76	Lift Station Control Panels			15,000		15,000
12080-23	Furniture & Equipment - Administration	8,000				8,000
12080-25	Computer Equipment - Administration	20,500				20,500
12090-07	Furniture & Equipment - Engineering		2,500			2,500
12090-25	Computer Equipment - Engineering		7,800			7,800
Subtotal Vehicles, Furniture and Equipment		28,500	10,300	317,000		355,800
TOTAL GENERAL FIXED ASSETS		38,500	10,300	357,000		405,800

CAPITAL OUTLAY 2010-11 BUDGET DETAIL

Account Number	Expense Classification	45*	42*	41*	43*	Total
		Admin.	Engin.	Operations	Disposal & NPS	
SUBSURFACE LINES - REHABILITATION						
14020-89	Quito Basin 8		-			
14021-14	Quito Basin 7 Area 1		1,656,000			1,656,000
14021-15	Quito Basin 7 Area 2		-			
14021-20	Fairview Plaza Sewer Relocation		248,000			248,000
14021-23	Roberts Road		-			
14021-24	Leigh Basin 2 Area 1		-			
14021-26	Congress Springs Rd.		440,000			440,000
	Subtotal Subsurface Lines - Rehabilitation		2,344,000			2,344,000
MISCELLANEOUS CONSTRUCTION PROJECTS						
14020-02	Sewer Extension Revolving Fund Projects		10,000			10,000
14020-36	Sewer System Upgrade		200,000			200,000
14020-66	District Manhole Adjustments		25,000			25,000
14020-22	Emergency Repairs					
	Subtotal Subsurface Lines - Upgrade		235,000			235,000
	TOTAL - SUBSURFACE LINES		2,579,000			2,579,000
TREATMENT PLANT AND SAN JOSE JOINT LINES						
14030-03	WWTP Projects				2,120,500	2,120,500
14030-04	Capital Replacement Fund - TP				172,400	172,400
14030-12	4th Interceptor				212,430	212,430
14030-15	60" Brick Interceptor Rehab				155,400	155,400
14030-40	South Bay Action Plan				30,400	30,400
14030-41	Willow-Union Trunk Sewer Rehab.					
14030-42	Julian-Sunol Supplemental Trunk Rehab.					
	TOTAL TREATMENT PLANT AND JOINT LINES				2,691,130	2,691,130
SEPTIC SYSTEM ABANDONMENT PROGRAM						
14040-61	Septic Disposal Conversion Program		10,000			10,000
14021-25	Overlook Road		653,000			653,000
14040-65	Redding Road					
14040-66	Hoffman Lane		50,000			50,000
	TOTAL SEPTIC SYSTEM ABANDONMENT PROGRAM		713,000			713,000
	TOTAL CAPITAL OUTLAY	\$38,500	\$3,302,300	\$357,000	\$2,691,130	\$6,388,930
14090-91	Less Discount Factor					\$958,300
	TOTAL CAPITAL OUTLAY	\$38,500	\$3,302,300	\$357,000	\$2,691,130	\$5,430,630

FISCAL YEAR 2010-11 OPERATING BUDGET SUMMARY AND PROJECTIONS THROUGH 2014-15

OPERATING FUND APPROPRIATIONS	2009-10**	2010-11	2011-12	2012-13	2013-14	2014-15
Salaries and Benefits:						
Administration and General	\$ 1,318,662	\$ 1,512,695	\$ 1,558,000	\$ 1,605,000	\$ 1,653,000	\$ 1,703,000
Service Extension	645,300	807,049	831,000	856,000	882,000	908,000
Sewer Maintenance	1,585,305	1,803,835	1,858,000	1,914,000	1,971,000	2,030,000
Sewage Disposal	470,733	408,472	421,000	434,000	447,000	460,000
Sub-Total	4,020,000	4,532,051	4,668,000	4,809,000	4,953,000	5,101,000
Maintenance and Operation:						
Administration and General	803,395	794,915	819,000	844,000	869,000	895,000
Service Extension	350,225	293,870	303,000	312,000	321,000	331,000
Sewer Maintenance	696,670	654,750	674,000	694,000	715,000	736,000
Disposal & NPS	5,705,475	7,022,600	7,233,000	7,450,000	7,674,000	7,904,000
Revenue Bond Debt Service	1,520,000	1,491,100	1,524,000	1,519,000	1,521,000	1,517,000
Sub-Total	9,075,765	10,257,235	10,553,000	10,819,000	11,100,000	11,383,000
Capital Outlay :						
General Fixed Assets	336,127	405,800	60,000	60,000	60,000	60,000
Subsurface Lines	1,416,116	2,579,000	2,170,000	2,435,000	2,520,000	2,665,000
Septic System Abandonment	161,750	713,000	160,000	10,000	10,000	10,000
Treatment Plant & Joint Lines	2,351,026	2,691,130	5,558,540	4,495,440	3,756,800	3,555,200
Discount Factor	-	(958,300)	(1,192,281)	(1,050,066)	(952,020)	(943,530)
Sub-Total	4,265,019	5,430,630	6,756,259	5,950,374	5,394,780	5,346,670
TOTAL EXPENDITURES	17,360,784	20,219,916	21,977,259	21,578,374	21,447,780	21,830,670
RESERVES						
Building Repairs	50,000	50,000	52,000	54,000	56,000	58,000
Unemployment Insurance	18,900	18,900	19,000	20,000	21,000	22,000
Vehicle Damage Insurance	175,000	175,000	185,000	185,000	195,000	205,000
Accrued Sick Leave and Vacation	430,000	450,000	464,000	478,000	492,000	507,000
Vehicle Replacement	955,500	1,032,500	952,000	998,500	919,500	990,500
Other Operating Reserves	2,750,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Capital Fund Reserves	20,872,719	17,350,463	13,145,604	10,443,730	8,802,950	7,516,280
Sub-Total	25,252,119	21,576,863	17,317,604	14,679,230	12,986,450	11,798,760
TOTAL BUDGET	42,612,903	41,796,779	39,294,863	36,257,604	34,434,230	33,629,450
RESOURCES						
Fund Balance at June 30	26,674,158	25,252,119	21,576,863	17,317,604	14,679,230	12,986,450
Service Charges*	14,343,200	14,917,660	15,971,000	17,099,000	17,961,000	18,866,000
SSAP Agreement Payments	125,545	96,000	50,000	37,000	26,000	20,000
Other Income	1,470,000	1,531,000	1,697,000	1,804,000	1,758,000	1,757,000
TOTAL RESOURCES	\$42,612,903	\$41,796,779	\$39,294,863	\$36,257,604	\$34,434,230	\$33,629,450

*Rate Increase:	0%	5%	6.0%	6.0%	4.0%	4.0%
Residential Rate/Month	23.35	24.52	25.99	27.55	28.65	29.80

** 2009-2010 Estimated

APPENDIX A

CAPITAL IMPROVEMENT PROGRAM 2010-2015

2010-2015

CAPITAL IMPROVEMENT PROGRAM

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total
CONSTRUCTION PROJECTS	<i>Estimated</i>						
1. Wastewater Treatment Plant							
a) South Bay Action Plan	\$ -	\$ 30,400	\$ 30,400	\$ 30,400	\$ 30,400	\$ 30,400	\$ 152,000
b) WWTP Projects	2,135,346	2,120,500	3,677,000	3,401,500	3,584,000	3,382,400	16,165,400
c) Equipment replacement	143,500	172,400	142,400	142,400	142,400	142,400	742,000
Subtotal WWTP Contributions:	\$ 2,278,846	\$ 2,323,300	\$ 3,849,800	\$ 3,574,300	\$ 3,756,800	\$ 3,555,200	\$ 17,059,400
2. Joint Trunk Sewer Projects							
a) Fourth Interceptor	\$ 16,680	\$ 212,430	\$ -	\$ -	\$ -	\$ -	\$ 212,430
b) 60" Brick Interceptor	53,000	155,400	1,610,310	43,070			1,808,780.00
c) 60/84" RCP Interceptor	2,500						-
d) Julian-Sunol Supplemental Trunk Rehab.							-
e) Moorpark-Meridian Trunk Rehab. Phase 3			98,430	878,070			976,500
Subtotal Joint Trunk Sewer Participation:	\$ 72,180	\$ 367,830	\$ 1,708,740	\$ 921,140	\$ -	\$ -	\$ 2,997,710
Total San Jose Projects:	\$ 2,351,026	\$ 2,691,130	\$ 5,558,540	\$ 4,495,440	\$ 3,756,800	\$ 3,555,200	\$ 20,057,110
Discounted Total San Jose Projects:	\$ 2,351,026	\$ 2,115,081	\$ 4,577,879	\$ 3,674,244	\$ 3,046,400	\$ 2,875,040	\$ 16,288,644
3. District Sewer Rehabilitation Program							
a) Quito Basin 8	671,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b) Quito Basin 7 Area 1	90,000	1,656,000	1,500,000				1,656,000
c) Quito Basin 7 Area 2			250,000	2,100,000			1,500,000
d) Quito Basin 5 Area 1				100,000	2,155,000		2,350,000
e) Quito Basin 5 Area 2					130,000	2,300,000	2,255,000
f) Quito Basin 6 Area 1						130,000	2,430,000
g) Quito Basin 6 Area 2							130,000
h) Fairview Plaza Sewer Relocation	9,000	248,000					248,000
i) Leigh Basin 2 Area 1	354,674						-
j) Roberts Road Sewer Realignment							-
k) Congress Springs Rd.	90,000	440,000					440,000
l) Giberson Road			185,000				185,000
Subtotal District Sewer Rehabilitation:	\$ 1,214,674	\$ 2,344,000	\$ 1,935,000	\$ 2,200,000	\$ 2,285,000	\$ 2,430,000	\$ 11,194,000

**2010-2015
CAPITAL IMPROVEMENT PROGRAM**

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	5-Year Total
CONSTRUCTION PROJECTS	<i>Estimated</i>						
4. Septic System Abandonment Program							
a) SSAP II & SDS Incentive Program	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
CONSTRUCTION PROJECTS							
b) Overlook Road	110,000	653,000					653,000
c) Redding Road	51,750						-
d) Hoffman Lane		50,000	\$ 150,000				200,000
Subtotal SSAP Program:	\$ 161,750	\$ 713,000	\$ 160,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 903,000
5. Miscellaneous Construction Projects							
a) Sewer System Upgrade	\$ 163,419	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	1,000,000
f) District Manhole Adjustments	26,396	25,000	25,000	25,000	25,000	25,000	125,000
h) SERF Program		10,000	10,000	10,000	10,000	10,000	50,000
Emergency Repairs	11,627						
Subtotal Miscellaneous Construction:	\$ 201,442	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 235,000	\$ 1,175,000
NON-CONSTRUCTION CAPITAL							
1. Vehicles & Equipment	\$ 297,642	\$ 355,800	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 555,800
2. Property Improvements	38,485	50,000	10,000	10,000	10,000	10,000	90,000
Subtotal Non-Construction Capital:	\$336,127	\$405,800	\$60,000	\$60,000	\$60,000	\$60,000	\$645,800
TOTAL CAPITAL OUTLAY:	\$ 4,265,019	\$ 6,388,930	\$ 7,948,540	\$ 7,000,440	\$ 6,346,800	\$ 6,290,200	\$ 33,974,910
Discount Factor		\$958,300	\$1,192,281	\$1,050,066	\$952,020	\$943,530	\$5,096,197
ADJUSTED CAPITAL OUTLAY:	\$ 4,265,019	\$ 5,430,630	\$ 6,756,259	\$ 5,950,374	\$ 5,394,780	\$ 5,346,670	\$ 28,878,713

APPENDIX B

SEWER SERVICE REVENUE PROGRAM

**WEST VALLEY SANITATION DISTRICT
SANTA CLARA COUNTY, CALIFORNIA**

**PROPOSED
REVENUE PROGRAM
FOR
SEWERAGE SERVICES**

FISCAL YEAR 2010-2011

**APRIL, 2010
PREPARED BY
ROBERT R. REID
DISTRICT MANAGER AND ENGINEER**

SEWER SERVICE REVENUE PROGRAM

A public hearing is scheduled for June 9, 2010, to consider increases to sewer service rates for fiscal years 2010-2011, 2011-2012, and 2012-2013. The hearing will be held in accordance with provisions of Article XIID, Section 6, of the California Constitution, otherwise known as Proposition 218. Proposed sewer service and use charges for residential and non-residential connections are shown on the following pages.

The sewer service and use charges pay for the operation, maintenance and improvements of the sanitary sewer system that conveys wastewater through the sewer system to the San Jose/Santa Clara Water Pollution Control Plant. The sewer service charges also support the district's share of operation and maintenance of the treatment plant and associated environmental protection programs required to meet Federal and State water quality permits for protection of the South San Francisco Bay. The sewer service charges and fees are based on financial projections and a rate analysis prepared for the district by an independent consultant, and are sufficient for cost recovery requirements.

Questions about the sewer service charge schedule may be directed to:

Robert R. Reid, District General Manager
West Valley Sanitation District of Santa Clara County
100 East Sunnyoaks Avenue
Campbell, CA 95008
408-378-2407
rreid@westvalleysan.org

WEST VALLEY SANITATION DISTRICT
SANTA CLARA COUNTY, CALIFORNIA

SEWER SERVICE AND USE CHARGES

FISCAL YEAR 2010-2011

The proposed Sewer Service and Use Charge rate structure for Fiscal Year 2010-2011 charges users of sewerage service in West Valley Sanitation District (formerly County Sanitation District No. 4) on the benefit received principle, in conformance with the FINANCIAL PLAN AND REVENUE GUIDELINES FOR WASTEWATER AGENCIES adopted by the California State Water Resources Control Board. The rates were computed to recover projected costs in Fiscal Year 2010-2011 for the following:

- a. District's share of operation and maintenance of the San Jose/Santa Clara Water Pollution Control Plant.
- b. Plant improvements, equipment replacement, and modification.
- c. Maintenance and operation of District wastewater collection and conveyance system.
- d. Collection system maintenance equipment and construction.
- e. General administrative services.
- f. Extension of service of collection system.
- g. General and unappropriated reserves.

RESIDENTIAL RATES

Proposed residential Sewer Service and Use Charge rates, based on the typical wastewater discharge and wastewater strength for residential units, are \$24.52 per month or \$294.24 per year for each single-family dwelling, and \$17.12 per month or \$205.44 per year for each multiple dwelling and mobile home. The charges are collected on the tax roll for the District through the Santa Clara County Tax Collector's office and are identified as sewer service on the tax bill.

COMMERCIAL, INSTITUTIONAL, AND GROUPED INDUSTRY RATES

Commercial, institutional, and grouped industry classes include non-residential users discharging wastewater of uniform strength of less than 50,000 gallons per day. The rate structure for these classes is based on water consumption data and the differences in wastewater strength among 16 standard classifications of users. Annual water consumption in some special cases is adjusted by averaging water consumption for the months of January, February, March, and April of the previous year and

extending the data for the following year. These months are selected to minimize the effects of landscape irrigation. An annual charge is computed for approximately 2,100 users in these categories and placed on the tax roll. Properties not on the tax roll are billed directly by the district.

MONITORED INDUSTRY RATES

Non-residential users discharging more than 50,000* gallons of wastewater of varying strength per day are billed quarterly on the basis of the rate structure, adjusted water consumption, and wastewater strength determined from samples collected during the billing period.

COST RECOVERY RATES

CAPITAL COSTS**

Infiltration/Inflow	\$	2.00 per User
Flow		469,306.00 per MGD
Biological Oxygen Demand (BOD)		80,179.00 per 1000 lbs/day
Suspended Solids (SS)		55,063.00 per 1000 lbs/day
Nitrogen (NH ₃)		236,044.00 per 1000 lbs/day

OPERATING AND MAINTENANCE COSTS**

Flow		1,003.00 per MG
Biological Oxygen Demand (BOD)		68.00 per 1000 lbs
Suspended Solids (SS)		90.00 per 1000 lbs
Nitrogen (NH ₃)		734.00 per 1000 lbs

*Conforms to State Water Resources Control Board definition of significant users. Monitoring is not cost effective for users with wastewater discharge below 50,000 gallons per day.

**Cost recovery rates shown are annual charges per designated quantity.

TREATMENT PLANT CAPACITY FEES

The purpose of the treatment plant capacity fee, established in 1982 and modified in 2006 by Ordinance No. 133, is to recover the costs associated with the District's purchase of wastewater treatment capacity in the San Jose/Santa Clara Water Pollution Control Plant. This is a "one time" fee collected at the time a connection is made to the District's wastewater collection system.

The treatment plant capacity fee is computed on four parameters as follows:

Flow	\$	4.03 per gallon per day
BOD		300.35 per pound per day
SS		202.44 per pound per day
NH ₃		1,092.76 per pound per day

Estimated treatment plant capacity fees for various types of connections are listed below:

<u>EXAMPLE CONNECTIONS</u>	<u>TYPICAL CAPACITY FEE</u>	
<u>Residential</u>		
Single-Family Residence:	\$1,288	
Townhouse/Condominium:	1,288	
Multiple Dwelling:	1,120	
Secondary Unit	1,120	
 <u>Commercial</u>		
		<u>Typical Connection Fee*</u>
Fast food restaurant (1000 sq. ft.)	\$ 8,144	9,279
Full service restaurant (2300 sq. ft.)	21,645	24,662
Medical center (12,500 sq. ft.)	31,859	51,550
Convalescent home (20 beds)	66,266	107,224
Gas station (4000 sq. ft., 4 pair pumps)	12,727	20,620
Laundromat (10 machines)	30,235	51,550
Market – Grocery (15,000 sq. ft.)	25,790	29,384
Small retail store (1300 sq. ft.)	569	978
Office: (1800 sq. ft.)	1,510	2,598
Hotel/Motel with dining (50 rooms)	35,951	61,860
Hospital (85 beds)	124,568	201,561
Coffee shop (1500 sq. ft.)	3,800	4,330
Donut shop (1500 sq. ft.)	8,144	9,279

*CONNECTION FEE

In addition to updating the treatment plant capacity fee, Ordinance No. 133 updated the sewer connection fee to reflect costs associated with replacement and rehabilitation of district sewer lines. The residential connection fee is standardized, and the commercial connection fee is based on flow parameters. The fee is collected when a connection is made to the district's sewer system or when a significant change is made to an existing connection.

SEWER SERVICE AND USE CHARGE
RATE STRUCTURE FOR FISCAL YEAR 2010-2011

I. <u>RESIDENTIAL</u>	FY 2009-2010		FY 2010-2011		% Change
	Month	Year	Month	Year	
Single-Family Dwelling	\$23.35	\$280.20	\$24.52	\$294.24	5.00
Multiple Dwelling Unit	16.30	195.60	17.12	205.44	5.00
Mobile Home	16.30	195.60	17.12	205.44	5.00

II. GROUPED INDUSTRIAL AND COMMERCIAL

Grouped Industrial	Dollars per Hundred Cubic Feet of Wastewater Discharged		
	FY 2009-2010	FY 2010-2011	% Change
Winery	7.15	7.51	5.00
Printing Works	3.31	3.48	5.00
Machinery Manufacturing	3.47	3.64	5.00
Electrical Equipment	2.34	2.46	5.00
Film Service	2.46	2.58	5.00
Soft Water Service	2.15	2.26	5.00
Plating Works	2.24	2.35	5.00
Industrial Laundries	4.66	4.89	5.00
Car Washes	1.88	1.97	5.00
 Commercial			
Restaurant	4.61	4.84	5.00
Hotel-Motel	2.39	2.51	5.00
Gas Station-Repair	2.55	2.68	5.00
Domestic Laundry	2.09	2.19	5.00
Retail-Office-Misc.	2.48	2.60	5.00
Hospital-Convalescent	2.22	2.33	5.00
Schools-Colleges	2.79	2.93	5.00

SEWER SERVICE AND USE CHARGE
RATE STRUCTURE FOR FISCAL YEAR 2010-2011

III. SIGNIFICANT INDUSTRIAL (over 50,000 gpd discharge)

	FY 2009-2010	FY 2010-2011	% Change
Capital Cost Recovery			
Annual Charge per User for I/I	\$ 2	\$ 2	0.00
Annual Charge per MGD Flow	446,958	469,306	5.00
Annual Charge per 1000 lbs/day BOD	76,361	80,179	5.00
Annual Charge per 1000 lbs/day SS	52,441	55,063	5.00
Annual Charge per 1000 lbs/day NH ₃	224,804	236,044	5.00
Operation and Maintenance Cost Recovery			
Charge per MGD of Flow	955	1,003	5.00
Charge per 1000 lbs of BOD	65	68	5.00
Charge per 1000 lbs of SS	86	90	5.00
Charge per 1000 lbs of NH ₃	699	734	5.00

Cost recovery factors are based in part on loading parameters provided by the San Jose/Santa Clara Water Pollution Control Plant.